MEMORANDUM FOR: Deputy Director for Support

SUBJECT

: Crediting of Military Service Toward Civil Service

Retirement

- 1. This memorandum is for information only.
- 2. Under both the Civil Service and CIA Retirement Systems, military service can generally be credited in annuity computations if the employee is not receiving military retired pay for the same period of service. Both retirement systems permit an officer to waive military retired pay at the time of his civilian retirement in order to receive such credit for military service. Prior to the enactment of the 1964 Dual Compensation Act, a regular officer retired for length of service who entered Federal civilian employment was not permitted to receive both his military retired pay and civilian salary. The 1964 Act established a new provision which permitted such officers to retain \$2,000 plus 50 per-cent of the balance of his retired pay while in civilian employment. The 1964 Act further permitted officers then employed as civilians to elect whether to remain under the previous pay arrangements or to be covered by the new provision of the 1964 Act.
- 3. Regular officers retired for length of service who elected to receive partial military retired pay under the 1964 Dual Compensation Act while at the same time receiving the salary of their civilian office can still elect to waive their military retired pay at the time of their retirement from their civilian position in order to obtain credit for all of their military service toward their annuity under the Civil Service Retirement Act. The advantage in doing this is quite significant; in every case we have processed this far, the additional annuity payable to the officer as well as to survivors runs in the thousands of dollars. What case surfaced, however, was that if the officer died while in civilian office and while in receipt of retired military pay, his widow had no election and her annuity under the Civil Service Retirement Act was computed on the basis of the deceased officer's civilian time only.

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